



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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Chief Administrative Officer

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Fifth District

June 3, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**RENEWAL OF COUNTY FINE ARTS INSURANCE POLICY  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorized the purchase of commercial fine arts insurance through Aon Risk Services, Inc. of Southern California (Aon) at an initial premium cost of \$336,679.69 including broker commission, subject to anniversary renewal adjustments, as may result from additions and deletions of objects from coverage or substantial changes in values, or insurance market conditions, for the term indicated in the attached Broker Services Agreement.
2. Approve participation by the Los Angeles County Museum of Natural History Foundation and the Museum Associates in the County's commercial insurance policy.
3. Approve and instruct the Chairman to execute the attached three-year Broker Services Agreement with Aon, which County Counsel has approved as to form, which includes a provision for two, one-year term extensions at County's option.
4. Instruct the Auditor-Controller to make payments for insurance premiums, adjustments, deductible amounts, related loss expenditures and services as invoiced and validated by the Chief Administrative Officer.

### **PURPOSE OF RECOMMENDED ACTION**

In June 2000, the Board approved the purchase of commercial Fine Arts Insurance to provide protection against financial loss of County-owned objects, and objects on loan or on exhibition to Museum of Art and Natural History Museum (the Museums) facilities (including the George C. Page Museum and the William S. Hart Ranch facilities). The estimated values of the collections and items on loan are estimated at over \$2.7 billion. The insurance provides financial protection against loss due to fire, flood, earthquake, explosion, or similar perils. The existing policy expires June 30, 2003.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The purchase of this commercial insurance and execution of the broker services agreement is consistent with the County's Strategic Plan Goal of Fiscal Responsibility. This recommended program will assist the County in effectively managing its resources by providing coverage for damage or loss of County owned and loaned objects in the County's care.

### **JUSTIFICATION**

This coverage assists the Museums in protecting thousands of County-owned objects of significant cultural and financial value. Loan agreements with private collectors and other institutions are conditioned on the County's acceptance of financial responsibility for loss or damage for these objects, which are exhibited or housed in a limited number of facilities and are subject to accidental loss. For these reasons, while self-insurance for County-owned, and some loaned items, is permitted, it is not recommended due to the substantial value of the objects at risk. The cost of commercial insurance is modest in comparison to the potential financial loss which could result from the destruction of or damage to collection and loaned objects. The recommended insurance will provide:

"All risk" coverage limits of \$300 million per occurrence for physical loss or damage to objects at Museum locations, excluding loss due to terrorism, and \$100 million per occurrence for collection objects while in transit.

Earthquake limits of \$300 million per occurrence for any loss at County locations.

A \$20,000 deductible will apply to loss of County-owned objects, with no deductible applicable to loaned items.

Legal liability coverage limits of \$300 million to protect and defend the Museums against allegations of liability for loss to loaned items in situations in which the Museums were not requested to insure by the lender.

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June 3, 2003  
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The new program includes limited terrorism coverage for objects while in domestic and international transit. A quotation for additional terrorism insurance was obtained, however, due to its high cost, significant coverage limitations and budget constraints, the Museums elected not to purchase it at this time. With the exception of limited terrorism exclusion, coverage limits are equal to or greater than those in the expiring policy; all other policy terms and conditions remain unchanged.

The broker services agreement requires Aon to provide experienced and knowledgeable personnel to administer the insuring policies, assist with any claims to assure the County is fully reimbursed for cost covered under this insurance program, and affirm that the insurance continues to be provided by reputable and financially sound insurers at a cost effective premium.

The Museums concur with the renewal of this insurance coverage.

#### **FISCAL IMPACT**

The new first year annual premium of \$336,679.69 represents an increase of approximately 37% over the expiring annual premium of \$246,376. Similar to the County's recent property and aviation insurance renewals, coverage also will be subject to an exclusion for loss due to terrorist events. A quote for terrorism coverage was obtained; however, due to the cost of the coverage and current budgetary constraints, the Museums elected not to purchase terrorism insurance at this time.

These insurance renewal terms reflect the hardening of the commercial insurance market which began in 2000-01. Property insurance premiums particularly have continued to rise since the 9/11 disaster, as insurers seek to build reserves after incurring record losses; insurers also are implementing coverage restrictions (notably terrorism exclusions) and limiting the amount of the coverage they will write in an effort to adequately reserve and price catastrophic coverage for terrorism and earthquake. Premium in subsequent policy years will be subject to anniversary adjustments as may result from addition or deletion of objects from coverage, and changes in values and/or insurance market conditions.

For the renewal of this program, we have obtained agreement from the insurance companies that they will bind the County's coverage upon your Board's approval of this program. Binding on your approval date will guarantee the quoted premium and coverage limits, even in the event of a major disaster or loss occurring before the policy becomes effective on July 1, 2003.

## **FINANCING**

Funding is included in the proposed FY 2003-04 Insurance Budget. Costs will be charged to the respective budget units of the Museum of Art and Natural History Museum. Funds to pay for future policy premiums will be subject to appropriation by your Board.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under the terms of its loan agreements with private collectors and certain other institutions, the County is held financially responsible for loss or damage to loaned objects. Self-insurance for loaned items and for exhibitions is permitted, but not recommended, due to the significant financial value of the objects at risk.

## **CONTRACTING PROCESS**

A competitive Request for Qualifications and Conceptual Proposals (RFQ) was issued on January 13, 2003 to more than 50 insurance brokerage firms, including those well known in the Museum and fine arts, as well as insurance, communities. Notice of the RFQ also was published in the Los Angeles Times and listed on the "Doing Business with the County" contracting website.

The RFQ criteria were established by CAO and Museum staff and designed to promote selection of a broker with exceptional experience and skill in the placement of fine arts coverage for major Museum clients. The independent risk management consulting firm of Warren, McVeigh and Griffin (consultant) also assisted in the RFQ development. The consultant has no ties to or financial interests in insurance brokerage firms or insurance companies; based on their review, they concurred with the RFQ criteria and the renewal approach developed by the County.

Responses were received from five brokers; each proposal included required and specific information concerning their fine arts insurance experience, organizational capabilities, the insurers they would utilize, and overall ability to meet the Museums' needs. Proposals were evaluated and scored by an Evaluation Committee (Committee) consisting of representatives from the Museums and a member of the Los Angeles County Risk Management Advisory Committee. The three highest rated proposers were selected to give oral presentations explaining the benefits of their proposals and any innovations which could maintain or improve the effectiveness of the County's current program.

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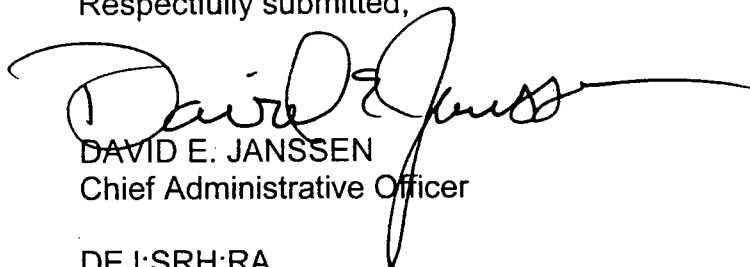
The CAO and consultant, after completing a comparative analysis of all proposals to assist the Committee's evaluation, and considering current "hard" market conditions, recommended the Committee select a single broker to negotiate the Museums' coverage with insurers. This was recommended to avoid inflation of premium costs arising from competing brokers approaching the limited number of insurers who write fine arts coverage (limited market capacity), and due to the limited capacity of earthquake coverage limits in the present market. The Committee agreed with this approach, and unanimously selected Aon as the broker best equipped to negotiate and place the comprehensive coverage needed by the Museums at an economical cost. Both the CAO and consultant concur with the Committee's selection.

Aon has complied with County contracting requirements including Child Support Compliance, Jury Service and County's WebVen registration.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The Museum of Art and the Museum of Natural History provide the community with a wide variety of cultural, educational and research opportunities. Procurement of commercial insurance is recommended to protect their collections from accidental loss, and enable maintenance of existing long term loan agreements with other institutions and private collectors, so that the County can attract future exhibitions from other museums, institutions and private collectors who require insurance before they will permit display of their collections at a County facility.

Respectfully submitted,



DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:SRH:RA  
DU:DS:lis

Attachment

c: County Counsel  
Auditor-Controller  
Museum of Art  
Museum of Natural History

# COUNTY OF LOS ANGELES



**Fine Arts Insurance Program**

## **Broker Services Agreement**

**COUNTY OF LOS ANGELES  
Fine Arts Insurance Program**

**Broker Services Agreement**

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**COUNTY OF LOS ANGELES  
Fine Arts Insurance Program**

**Broker Services Agreement**

This Agreement is made and entered into this first day of July, Two Thousand and Three, by and between the COUNTY OF LOS ANGELES, a body corporate and politic, referred to as "County" and Aon Risk Services, Inc. of Southern California, referred to as "CONTRACTOR," doing business at 707 Wilshire Blvd., Suite 6000, Los Angeles, CA 90017.

**1.0 APPLICABLE DOCUMENTS**

This base document, along with the Exhibits listed below form the entire agreement between the parties (throughout and hereinafter, the "Agreement"). Any conflict in the terms of the Agreement will be resolved by giving preference first to the provisions of this base document, and then to the documents referenced below in descending priority:

**EXHIBITS**

- A: Contractor's Final Proposal dated May 12, 2003, and including County Insurance Specifications issued April 2, 2003 (Incorporated, but not attached).
- B: Contractor's Conceptual Proposal in Response to County's Request for Statements of Qualifications and Conceptual Proposals (RFQ), dated February 7, 2003 (Incorporated, but not attached).
- C: County's Request for Statement of Qualifications and Conceptual Proposals (RFQ) for the Appointment of Broker of Record to the Fine Arts Insurance Program, released January 13, 2003 (Incorporated, but not attached).

**2.0 DEFINITIONS**

- 2.1 Broker of Record: The brokerage firm selected through a competitive RFQ process to place coverage and administer a County insurance program for a designated period, also referred to as Contractor herein.
- 2.2 Commission: A percentage of the amount of the insurance premium to be paid to the Contractor as full compensation for the placement and on-going administration of a County insurance program.
- 2.3 Insurance Premium: The amount due in one sum or periodically for an insurance policy.

- 2.4 Policy Period: The period that the policy coverage is in effect. Generally, the policy period is for a 12-month period.

### 3.0 **TERM**

- 3.1 The term of this Agreement shall commence on July 1, 2003 and shall continue in full force and effect until July 1, 2006. The County shall have the option of extending this Agreement for two (2) additional one-year terms. Each one year extension will be at the sole option of the County Risk Manager, and conditioned upon County's confirmation that the premium has not increased by more than 10% for any given annual policy renewal and by not more than 20% for any two consecutive policy renewals.
- 3.2 In the event of expiration or prior termination of the term of this Agreement, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.

### 4.0 **COMPENSATION**

4.1 Contractor shall be compensated for all its services and costs based on the commissions agreed to by the insurers, as described in Contractor's proposal. All invoices submitted to the County Program Manager for payment of the policy premium and commission must identify these respective amounts.

4.2 The commission paid to the Contractor shall include all applicable taxes, and any additional taxes that are not included remain the responsibility of the Contractor. Contractor shall provide any supporting documents required by the County Program Manager to approve the invoice, and issue payment within 30 days of receipt of invoice or supporting documents. The commission shall not exceed that described in the Contractor's proposal, and any commission in excess of that amount will be rebated to the County by the Contractor.

### 5.0 **COUNTY'S PROGRAM MANAGER**

5.1 The County's Program Manager for this Agreement shall be:

Delta Uyenoyama, Chief  
Risk Management Bureau, Risk Management Operations  
Chief Administrative Office (CAO), County of Los Angeles  
3333 Wilshire Blvd., Suite 820  
Los Angeles, CA 90010  
(213) 351-5362; fax (213) 252-0404

5.2 All work performed by Contractor under this Agreement shall be subject to approval by the County's Program Manager or his designee(s), who shall be responsible for on-going evaluation of Contractor's performance and have full authority to direct the Contractor in areas relating to procedural requirements and other matters within the purview of this Agreement.

#### 6.0 **CONTRACTOR'S PROGRAM MANAGER**

6.1 Contractor's Program Manager shall be:

Richard Windebank, Senior Vice President  
Aon Risk Services, Inc. of Southern California  
707 Wilshire Blvd., Suite 6000  
Los Angeles, CA 90017  
(213) 630-3374; fax (213) 630-3364

6.2 This manager shall be a full-time employee of Contractor, and any replacement of this manager shall be subject to written approval by the County's Program Manager. He or she shall have overall responsibility for the performance of Contractor's activities under this Agreement and shall be authorized to act for and bind the Contractor in all matters relating to the administrative aspects of this Agreement.

#### 7.0 **CONTRACTOR PERSONNEL**

7.1 The Contractor shall provide qualified personnel to perform work and provide deliverables as indicated in the County's RFQ released January 13, 2003 and Contractor's response to RFQ dated February 7, 2003. The Contractor will ensure that its staff possesses the required professional licenses and certificates, if any, required by State of California, and a sufficient number of competent personnel to perform Contractor's Services, as described in Section 9.0 herein, on a timely basis.

7.2 The County reserves the right to require replacement of the Contractor's personnel. The Contractor also shall provide County with two weeks notice (10 business days) of any proposed changes in the Contractor's assigned personnel. In each instance, the Contractor shall provide the County Program Manager or his designee with a resume of the proposed replacement and an opportunity to interview the person prior to assigning a person to the project.

## 8.0 CONTRACTOR SERVICES

Contractor shall provide the services required by the County including, but not limited to, the following:

### 8.1 Renewal of Coverages

- 8.1.1 Design, market, obtain quotations and place required insurance coverage with financially secure companies.
- 8.1.2 Structure insurance programs to eliminate gaps or overlaps in policies and to provide the limits and coverages requested by the County, to the extent such coverages and limits are available.

### 8.2 Administration of Policy(ies)

- 8.2.1 Review insurance binders, policies, endorsements, certificates and other documents to ensure work is complete and accurate, and advise of and correct any deficiency or non-compliance.
- 8.2.2 Evaluate and continue to monitor insurer financial status, advise immediately of any downgrading of insurer financial status, evaluate impact to the County and the actions to be taken to protect the County's interest.
- 8.2.3 Provide early warning of rate and coverage changes and probable impact on County's program.
- 8.2.4 Service each policy issued under this program to the County. This includes, but is not limited to, processing any changes to the policy, verifying the accuracy of invoices, and promptly issuing premium payment(s) to the appropriate underwriters upon receiving funding from the County.
- 8.2.5 Process in a timely manner and be responsible for any funds entrusted to Contractor until the entrusted funds are disbursed and received by the designated payee. This responsibility shall continue beyond this Agreement's expiration date until all the entrusted funds are received by the payees.
- 8.2.6 Recommend methods or procedures that would more efficiently expedite the flow of information and documents.
- 8.2.7 Inspect facilities as required by County to assist in the development of underwriting information and County loss prevention activities.

- 8.2.8 Provide a variety of periodic reports as required by County to enable analysis of coverages, determination of compliance with insurance requirements, and monitoring of claims and coverage limits. The reports shall include but not be limited to a listing of claims (losses), allocation of premiums by museum, a listing of certificates issued, and updated listings of insured facilities. The claims (losses) report shall be provided on a quarterly basis.
- 8.2.9 Provide a stewardship report that chronicles the Contractor's activities during the policy year, and projects or recommends activities for the remaining and subsequent policy year. The report should be provided as required by the County's Program Manager or his designee.

8.3 Claims Services

- 8.3.1 Manage claims by providing the full range of claims services **at no additional cost**. This would include, at a minimum, the following:
  - 8.3.11 Review of the adequacy and timeliness of all loss runs and reports and updating or changing as needed,
  - 8.3.12 Provision of expert and aggressive assistance in coverage and policy interpretation issues, resolving claims and lawsuits to their conclusion, and obtaining timely payment on all judgments and settlements from insurers.
  - 8.3.13 Participation in regularly scheduled meetings regarding the claims process, or concerning any claim or loss submitted under this insurance program.

8.4 Other Services

- 8.4.1 Provide advisement on other coverages if requested by the County.
- 8.4.2 Provide, with the concurrence of or at the request of, the County's Program Manager, seminars and training sessions for the benefit of County personnel relating to the County's commercial insurance program.
- 8.4.3 Participate as an ad-hoc member of museum risk management committees and attend meetings at County's request.

- 8.4.4 Complete an annual risk management/loss prevention survey of all locations listed in the policy schedule, including but not limited to exhibit and storage areas, and provide a written report of findings; this will be followed by quarterly or semi-annual visits to each location to focus on a specific loss exposure. Contractor shall provide County with a written report upon completion of each survey.
- 8.4.5 Complete an earthquake probable maximum loss study and provide a written report of findings to County. This study and report shall be completed and provided to County by February 27, 2003.

#### 9.0 **CONTRACTOR AVAILABILITY**

- 9.1 Contractor's claims staff shall be accessible twenty-four hours a day, seven days a week to the County Program Manager and/or other County staff for emergency consultation and immediate reporting of losses.
- 9.2 Contractor shall maintain normal office hours from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding County holidays.

#### 10.0 **CONTRACTOR'S FINANCIAL STATEMENT**

- 10.1 Contractor shall submit their most current audited financial statements no later than 90 days prior to the annual insurance policy renewal or placement of a new policy. The Contractor will also provide any additional information required by the Auditor-Controller to confirm that the Contractor has the financial capability of maintaining the services necessary for the efficient administration of this insurance program and premium payment.
- 10.2 County will assess the financial status of the Contractor and assign one of the following ratings: Excellent-Good, Fair or Poor. Based on this assessment, the following actions may be taken by County:
  - 10.2.1 An Excellent-Good rating - Contractor shall continue to provide a full range of services, including handling of premium and settlement payments.
  - 10.2.2 A Fair rating - Contractor will continue to provide the required services except all premium payments due from County will be directly processed by County to the insurer(s). Contractor will rebate County up to 5% of its gross commission earned under this Agreement during the previous Agreement year. The amount of the rebate will be determined by the County's Program Manager.

10.2.3 A Poor rating - Contractor will fully cooperate with County in transferring these Agreement services to the brokerage firm designated by County. In addition to the remedies provided in Section 24 of this Agreement, Termination for Default of Contractor, Contractor will return to County any unearned commission, as determined by County, within 30 days of receiving notice of a Poor rating.

10.3 In lieu of a current audited financial statement. Contractor must submit a performance bond in the amount of the commission, and a premium payment bond in the amount of the premium, no later than ninety (90) days prior to the annual insurance policy renewal.

#### **11.0 CHANGES AND AMENDMENTS**

The County reserves the right to change any portion of this Agreement. All changes shall be accomplished as follows:

11.1 Except as otherwise provided in section 3.0 herein, changes which affect the scope of work, term, compensation, or any provision included in this Agreement shall be negotiated by County and Contractor, and approved by the Board of Supervisors.

11.2 For any change which does not affect the scope of work, term, compensation, or any provision included in this Agreement, a Change Notice shall be prepared and signed by the County's Program Manager and the Contractor's Program Manager.

#### **12.0 TERMINATION FOR CONVENIENCE OF THE COUNTY**

12.1 Performance of services under this Agreement may be terminated by the County in whole or in part when such action is deemed by the County to be in its best interest. Termination of work shall be effected by delivery to the Contractor a ten (10) day prior written Notice of Termination specifying the extent to which the performance work is terminated and the date upon which such termination becomes effective. Said Notice of Termination shall be given by the County Program Manager.

12.2 After receipt of the Notice of Termination and except as otherwise directed by the County, the Contractor shall:

12.2.1 Stop services under this Agreement on the date and to the extent specified in the Notice of Termination.

12.2.2 Complete performance of such part of the work as shall not have been terminated by the Notice of Termination.

12.2.3 Submit to the County, in the form and with the certifications as may be prescribed by the County, a termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than three (3) months from the effective date of termination. Upon failure of the Contractor to submit a termination claim and invoice within the time allowed, the County may determine on the basis of information available to the County, the amount, if any, due to the Contractor in respect to the termination; and such determination shall be final. After such determination is made, the County shall pay the Contractor the amount so determined.

12.2.4 In the event it is determined by the County that the Contractor has been overcompensated, the County shall notify the Contractor of the overcompensation, and the Contractor must provide a written response within 30 days of the receipt of such notice, including any refund that may be due the County.

12.3 Subject to the provisions of the paragraph immediately above, the County and the Contractor shall negotiate an equitable amount to be paid to the Contractor by reason of the total or partial termination of work pursuant to this clause. A said amount may include a reasonable allowance for profit on work done but shall not include an allowance on work terminated. The County shall pay the agreed amount, subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Agreement as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated.

### 13.0 **RECORD RETENTION AND INSPECTION**

13.1 Upon receipt of a written request, the Contractor shall at no cost to the County, make available to the County and all authorized representatives for examination, audit, excerpt, copy or transcription any pertinent transaction, activity, time card or other record relating to this Agreement. Failure on the part of the Contractor to comply with the provisions of this paragraph shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.

13.2 Such material including books, records, documents, case files and all pertinent cost accounting, financial records, and proprietary data must be kept and maintained for a period of five (5) years after completion of the Agreement, or until such time as all audits are completed, whichever is earlier.

13.3 Upon expiration or cancellation of this Agreement, all documents, reports, records, case files, correspondence, and work product relating to the Contractor's operations under this Agreement shall be returned to the County or to such location as the County Program Manager may direct. It is understood that all of the materials described above are the property of the County and not of the Contractor herein. Contractor shall be permitted to retain copies of such records.

- 13.4 In the event that records are located outside of a 100-mile radius of the Los Angeles Civic Center area of the County of Los Angeles, the Contractor shall reimburse the County for County's travel and per diem costs in connection with an inspection or audit.
- 13.5 In the event that an audit specifically regarding this Agreement is conducted by any Federal or State auditor, or any auditor or accountant employed by the Contractor or otherwise, the Contractor shall file a copy of each such audit report with the County's Program Manager within thirty (30) days after the Contractor's receipt thereof.

14.0 **ADJUSTMENT TO PAYMENTS FOLLOWING AUDIT**

If, at any time during the term of this Agreement or five (5) years after the expiration or termination of this Agreement, authorized representatives of the County conduct an audit of the Contractor regarding the services provided to the County hereunder, and if as a result of such audit it is determined that the County's dollar liability for such services is less than payments made by the County to the Contractor, then the Contractor agrees that the difference, at the County's option, shall be either: 1) repaid forthwith by the Contractor to the County by cash payment, or 2) credited against any future payments due hereunder to the Contractor. If, as a result of such audit, it is determined that the County's dollar liability for services provided hereunder is more than payments made by the County to the consultant, then the difference shall be paid to the Contractor by the County provided that in no event shall the County's maximum obligation exceed the amount appropriated by the Board of Supervisors.

15.0 **LIMITATION OF THE COUNTY'S OBLIGATION DUE TO NON-APPROPRIATION**

The County's obligation is payable only and solely from funds appropriated for the purpose of this Agreement. All funds for payments after June 30 of the current fiscal year are subject to the County's legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action. In the event this Agreement extends into succeeding fiscal year periods, and, if the Board of Supervisors does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30 of the then current fiscal year. The County shall notify the Contractor in writing of such non-allocation at the earliest possible date.

16.0 **INDEPENDENT CONTRACTOR STATUS**

This Agreement between the County and the Contractor is not intended and shall not be construed to create a relationship of agent, servant, employee, joint venture, or association as between the County and the Contractor. The Contractor understands and agrees that all persons furnishing services to the County pursuant to this Agreement are, for purposes of Workers compensation liability, employees solely of the Contractor and not employees of the County. The Contractor shall bear the sole responsibility and liability for furnishing Workers Compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Contractor pursuant to this Agreement.

## 17.0 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

## 18.0 INSURANCE

18.1 General Insurance Requirements: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its sub-contractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

18.1.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to the County's Program Manager prior to commencing services under this Agreement. Such certificates or other evidence shall:

18.1.1.1 Specifically identify this Agreement.

18.1.1.2 Clearly evidence all coverages required in this Agreement.

18.1.1.3 Contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.

18.1.1.4 Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement.

18.1.1.5 Identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

- 18.1.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.
- 18.1.3 Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the Agreement upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.
- 18.1.4 Notification of Incidents, Claims or Suits: Contractor shall report to County:
- 18.1.4.1 any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within 24 hours of occurrence.
  - 18.1.4.2 any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.
  - 18.1.4.3 any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Program Manager.
  - 18.1.4.4 any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of this Agreement.
- 18.1.5 Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.
- 18.1.6 Insurance Coverage Requirements for Sub-contractors: Contractor shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:
- 18.1.6.1 Contractor providing evidence of insurance covering the activities of sub-contractors, or
  - 18.1.6.2 Contractor providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance

coverage. County retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

18.1.7 Insurance Coverage Requirements:

- 18.1.7.1 General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

- 18.1.7.2 Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

- 18.1.7.3 Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- 18.1.7.4 Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$10 million per claim and \$10 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

- 18.1.8 Basic Health Insurance and Benefits: The Contractor will provide basic health coverage for employees of the Contractor who perform work under the provisions of this Agreement.

## **19.0 COVENANT AGAINST CONTINGENT FEES**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee excepting bona fide employees or bona fide established commercial or selling agents maintained by Contractor for the purpose of securing business. For breach or violation of this warranty, the County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

## **20.0 GOVERNING LAWS**

This Agreement shall be construed in accordance with and governed by the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the Courts of the State of California for all purposes regarding this Agreement, and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

## **21.0 COMPLIANCE WITH LAWS**

- 21.1 The Contractor agrees to comply with all applicable Federal, State and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein, are hereby incorporated by this reference.
- 21.2 The Contractor shall indemnify, defend and hold harmless the County from any loss, damage or liability resulting from a violation on the part of the Consultant of such laws, rules, regulations and ordinances.

## **22.0 LIQUIDATED DAMAGES**

- 22.1 If Contractor fails to provide the cost and coverages as guaranteed or proposed, Contractor agrees to pay the County all costs, to the satisfaction of the County's risk manager, to remedy the coverage to the satisfaction of the County's Program Manager and may be assessed up to 20% of the commission as determined by the County's Program Manager.
- 22.2 If Contractor fails to perform agreed services or perform such services within the time specified in accordance with the terms of this Agreement, County shall reduce Contractor's billing by an amount to be determined by the County Program Manager but not to exceed 20% of the commission for each noted deficiency.
- 22.3 As provided under this Agreement, County's Program Manager shall serve written notice upon Contractor of any deficiency noted. Contractor shall have up to ten (10) calendar days after receipt of deficiency notice to remedy deficiency before liquidated damages are assessed.
- 22.4 Nothing in this Section 22.0, or elsewhere in this Agreement, shall prevent or limit the County from recovering against any insurance and/or bond which is

required to be maintained by Contractor. If Contractor fails to maintain any such insurance and/or bond, then Contractor shall be responsible to County for any and all direct damages.

### **23.0 TERMINATION FOR DEFAULT OF CONTRACTOR**

- 23.1 The County may, subject to the provisions outlined below, by written notice of default to the Contractor, terminate immediately the whole or any part of this Agreement if the Contractor fails to perform any provision of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances does not remedy such failure within a period of ten (10) calendar days (or such longer period as the County may authorize in writing) after receipt of notice from the County specifying such failure.
- 23.2 In the event the Agreement is terminated for default, then the Contractor agrees to pay the County all reasonable costs incurred by the County, as determined by the County, for replacing the Contractor's services. In addition to the foregoing, damages arising from the Contractor's failure to perform will apply in all cases except where failure to perform arises out of causes beyond the control and without fault or negligence of the Contractor.
- 23.3 If, after notice of termination of this Agreement, it is determined for any reason that the Contractor was not in default under the provisions of this clause or that the default was excusable, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the clause entitled "Termination for Convenience of the County."

### **24.0 DELEGATION AND ASSIGNMENT**

The Contractor shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without the prior written consent of the County.

- 24.1 Any delegation of duties shall be in the form of a subcontract. The Contractor's request to the County, for approval to enter into a subcontract shall include:
- 24.1.1 A description of the services to be provided by a proposed subcontractor.
  - 24.1.2 Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected.
  - 24.1.3 The proposed subcontract amount, together with the Contractor's cost or price analysis thereof.
  - 24.1.4 A copy of the proposed subcontract. Any later modification or amendment of such subcontract shall be approved in writing by the County before such modification or amendment is effective.

- 24.2 Subcontracts shall be made in the name of the Contractor and shall not bind nor purport to bind the County. The making of subcontracts hereunder shall not relieve the Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Approval of the provisions of any subcontract by the County shall not be construed to constitute a determination of the allowableness of any cost under this Agreement. In no event, shall approval of any subcontract by the County be construed as effecting any increase in the amount contained in the maximum obligation of the County.

**25.0 TERMINATION FOR IMPROPER CONSIDERATION**

The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

**26.0 DISCLOSURE OF INFORMATION**

The Contractor shall not disclose any details in connection with this Agreement to any party, except as may be otherwise provided herein or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publicizing its role under this Agreement within the following conditions:

- 26.1 The Contractor shall develop all publicity material in a professional manner.
- 26.2 During the course of performance of this Agreement, the Contractor, its employees, agents, and subcontractors shall not publish or disseminate commercial advertisements, press releases, opinions or feature articles, using the name of the County without the County's prior consent.
- 26.3 The Contractor shall not possess any interest, title, or right to any County case data or records. The Contractor is prohibited from disclosing any identified or unidentified raw County data to any other party, or from combining any identified

or unidentified raw County data with that of any other Contractor client or other party into any database or report format for any purpose whatsoever without the expressed, written authorization of the County.

27.0 **NOTICE OF DELAYS**

Except as otherwise expressly provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within five (5) working days, give notice thereof, including all relevant information with respect thereto, to the other party.

28.0 **VALIDITY**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

29.0 **WAIVER**

No waiver of a breach of any provision of this Agreement by the County shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. Failure of the County to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver thereof.

30.0 **DEFAULT FOR INSOLVENCY**

30.1 The County may cancel this Agreement for default in the event of the occurrence of any of the following:

30.1.1 Insolvency of the Contractor. The Contractor shall be deemed insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Law or not.

30.1.2 The filing of a voluntary petition to bankruptcy.

30.1.3 The appointment of a Receiver or Trustee for the Contractor.

30.1.4 The execution by the Contractor of an assignment for the benefit of creditors.

30.2 The remedies reserved to the County herein shall be cumulative and additional to any other remedies provided in law or equity.

31.0 **NOTICES**

31.1 Notices required or permitted to be given under the terms of this Agreement or by any law now or hereafter in effect may, at the option of the party giving notice, be given by personal delivery or by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such

envelope with postage prepaid in the United States Post Office or substation thereof, or any public mail box. Any such notice and the envelope containing same shall be addressed to the Contractor at its place of business as designated at the address set forth in Section 7.0 of this Agreement or such other place as may be hereinafter designated in writing by the Contractor. The notices and envelopes containing same to the County shall be addressed to:

Rocky Armfield, Risk Manager  
Chief Administrative Office, County of Los Angeles  
3333 Wilshire Blvd, Suite 820  
Los Angeles, California 90010  
Reference: County of Los Angeles Fine Arts Insurance Program

- 31.2 In the event of suspension or termination of this Agreement, notices may also be given upon personal delivery to any person whose actual knowledge of such suspension or termination would be sufficient notice to the Contractor.

### 32.0 **NON-EXCLUSIVE AGREEMENT**

This is a non-exclusive Agreement. The County reserves the right to contract with any and all successful proposers for the same or similar services.

### 33.0 **NON-DISCRIMINATION IN EMPLOYMENT**

- 33.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to or because of race, color, religion, ancestry, national origin, sex, age, condition of physical or mental handicap, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 33.2 The Contractor shall take affirmative action to ensure that qualified applicants are employed and that employees are treated during employment without regard to race, color, religion, sex, ancestry, national origin, age or condition of physical or mental handicap or marital status, or political affiliation. Such action shall include but is not limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.
- 33.3 The Contractor shall deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, condition of physical or mental handicap, marital status, or political affiliation.
- 33.4 The Contractor shall allow the County's representative access to its employment records during regular business hours to verify compliance with the provisions of this section when so requested by the County.

- 33.5 If the County finds that any of the above provisions have been violated, the same shall constitute a material breach of Agreement upon which the County may cancel, terminate, or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated State or Federal anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.

34.0 **NON-DISCRIMINATION IN SERVICES**

The Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex or age in accordance with all applicable requirements of Federal and State law.

- 34.1 For the purpose of this section, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to any person which is different or is provided in a different manner or at a different time from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service; treating any person differently from others in determining admission, enrollment quota, eligibility, membership or any other requirement or condition which persons must meet, in order to be provided any service or benefit.
- 34.2 The Contractor shall take positive steps to ensure that claimants are provided services without regard to race, color, religion, national origin, ancestry, sex, or age.

35.0 **ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS LAWS**

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e (17), to the end that no person shall, on grounds of race, creed, color, sex, national origin, age, condition of mental or physical handicap, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

36.0 **CONFLICT OF INTEREST**

The Contractor represents and warrants that no County employee whose position in the County enables him/her to influence the award of this Agreement, and no spouse or economic dependent of such employee is or shall be employed in any capacity by the Contractor herein or does or shall have any direct or indirect financial interest in this Agreement.

**37.0 CONFIDENTIALITY**

The Contractor shall maintain the confidentiality of all its records, including but not limited to billing, County records, case records and patient records, in accordance with all applicable Federal, State and local laws, regulation, ordinances and directives relating to confidentiality. The Contractor shall inform all of its officers, employees, and agents providing services hereunder of the confidentiality provisions of this Agreement. As a condition of employment, all employees of the Contractor must sign and adhere to the "Contractor/Employee Acknowledgment and Confidentiality Agreement." The Confidentiality Agreement shall be filed in the Contractor's personnel records for the employee and Contractor shall provide a copy upon request by the County.

**38.0 AUTHORIZATION WARRANTY**

The Contractor represents and warrants that the signatory to this Agreement is fully authorized to obligate the Contractor hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

**39.0 MERGER**

This Agreement and all documents which are incorporated therein by reference shall constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

**40.0 LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES**

The Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates, if any, required by law, which are applicable to the performance of this Agreement, and shall further ensure that all of its officers, employees and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance of services hereunder.

**41.0 CONTRACTOR'S OFFICE**

The Contractor shall notify the County's Program Manager in writing of the Contractor's intent to move and change its business location, at least thirty (30) calendar days prior to the effective date.

**42.0 UNLAWFUL SOLICITATION**

42.1 The Contractor shall inform all of its employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of the California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitations as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance

hereunder to ensure that there is no violation of such provisions by its employees.

- 42.2 The Contractor shall inform all of its officers, employees, and agents performing services hereunder of the provisions of Labor Code Section 3219.

43.0 **IMPROPER ACTS OR FAILURE TO ACT**

The Contractor shall reimburse the County for overpayments, fines, penalties, attorneys' fees, interest, medical costs, rehabilitation costs and retroactive or excessive periods of compensation which County paid or is required to pay as a result of Contractor's act(s) and/or omission(s) which violate any provision of this Agreement, the provisions of the Labor Code, or the provisions of the California Code of Regulations (Title 8), or which fail to comply with the general standards of care and generally accepted practices in the workers compensation claims administration industry.

The Contractor shall not be required to reimburse the County if the Contractor's act(s) and/or omission(s) resulted from following express instructions from an authorized County representative.

44.0 **COUNTY LOBBYIST ORDINANCE**

The Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

45.0 **COUNTY'S RIGHT TO RENEGOTIATE AGREEMENT**

The County retains the right to renegotiate the terms, conditions and fees during the period of the Agreement if such renegotiation is necessitated by budget shortfalls and reductions.

46.0 **CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS**

Should the Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff after the effective date of this Agreement, or qualified, former County employees who are on a re-employment list during the life of this Agreement.

47.0 **CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT**

Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment

openings to participants in the County's Department of Public Social Services' Greater Avenue for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet Contractor's minimum qualifications for the position. The County will refer GAIN/GROW participants by job category to the Contractor.

48.0 **COUNTY'S QUALITY ASSURANCE PLAN**

The County or its agent will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all Agreement terms and performance standards. Contractor deficiencies which County determines are severe or not corrected will be reported to the Board of Supervisors. The report will include improvements/corrective action measures taken by the County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

49.0 **CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

50.0 **TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 51.0, "**Contractor's Warranty of Adherence to County's Child Support Compliance Program**", shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within 90 days of notice by the Los Angeles County District Attorney shall be grounds upon which the County Board of Supervisors may terminate this Agreement pursuant to Paragraphs 23.0 - 23.3, "Termination for Default of Contractor."

51.0 **NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT**

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

52.0 **COMPLIANCE WITH JURY SERVICE PROGRAM**

52.1 Jury Service Program.

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

52.2. Written Employee Jury Service Policy.

52.2.1 Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

52.2.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract Agreement and a copy of the Jury Service Program shall be attached to the Agreement.

52.2.3 If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to

review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

52.2.4 Contractor's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

#### 53.0 **SAFELY SURRENDERED BABY LAW**

53.1 Notice to Employees Regarding the Safely Surrendered Baby Law: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I of this Agreement and is also available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

53.2 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position at the sub-contractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

#### 54.0 **COMPLIANCE WITH WAGE AND HOUR LAWS/FAIR LABOR STANDARDS ACT**

The Contractor shall comply with all wage and hour laws and all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless the County, its agents, officers and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorney's fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor

Standards Act for services performed by the Contractor's employees for which the County may be found jointly or solely liable.

55.0 **MANDATORY REQUIREMENT TO REGISTER ON COUNTY'S WEBVEN**

The Contractor represents and warrants that it has registered in the County's WebVen. Prior to a contract award, all potential contractors must register in the County's WebVen. The WebVen contains the vendor's business profile and identifies the goods/services the business provides. Registration can be accomplished online via the Internet by accessing the County's home page at [http://lacounty.info/doing\\_business/main\\_db.htm](http://lacounty.info/doing_business/main_db.htm). (There are underscores in the address between the words "doing business" and "main db.")

56.0 **CONTRACTOR RESPONSIBILITY AND DEBARMENT**

- 56.1 A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.
- 56.2 Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding on County contracts for a specified period of time not to exceed three years, and terminate any or all existing contracts Contractor may have with County.
- 56.3 County may debar a contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.
- 56.4 If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 56.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or

Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate Length of time of the debarment. If Contractor fails to avail it self of the opportunity to submit evidence to the Contractor Hearing Board, Contractor may be deemed to have waived all rights of appeal.

56.6 A record of the hearing, the proposed decision and any other recommendation of Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

56.7 These terms shall also apply to subcontractors of County Contractors.

57.0 **RECYCLED BOND PAPER**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

58.0 **NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT**

The Contractor shall have no claim against the County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify the County and shall immediately repay all such funds to the County. Payment by the County for services rendered after expiration/termination of this Contract shall not constitute a waiver of the County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Agreement.



IN WITNESS THEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Chairman and the seal of such Board to be hereto affixed, and attested to by the Executive Officer-Clerk thereof, and the Contractor has caused this Agreement to be subscribed to on its behalf by its duly authorized officer, the day, month and the year first above written.

COUNTY OF LOS ANGELES

By

ATTEST:

VIOLET VARONA-LUKENS  
Executive Officer  
Clerk of the Board of Supervisors  
of the County of Los Angeles

By \_\_\_\_\_  
Deputy

Aon Risk Services, Inc. of Southern California

Contractor

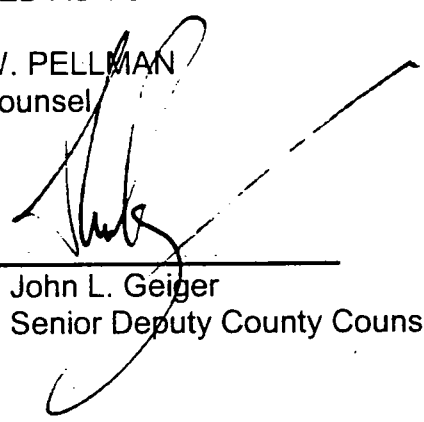
By 

SENIOR VICE PRESIDENT  
(Title)

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

By   
John L. Geiger  
Senior Deputy County Counsel